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MEMORANDUM

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Arizona Corporation Commission

2011 SEP 21 P 3: 25

FROM: Steven M. Olea
Director
Utilities Division

DOCKETED

SEP 21 2011

AZ CORP COMMISSION
DOCKET CONTROL

DATE: September 21, 2011

DOCKETED BY

RE: ENTRADA DEL ORO SEWER COMPANY (DOCKET NO. SW-04316A-06-0382)

In Decision No. 69412, dated April 16, 2007, the Arizona Corporation Commission ("Commission") approved the application of Entrada Del Oro Sewer Company ("Entrada" or "Company") for an extension of its Certificate of Convenience and Necessity. As part of Decision No. 69412, the Commission ordered that:

"...the Company file, by June 20, 2009, with Docket Control, as a compliance item in this docket, a copy of ADEQ's ATC."

Although the above paragraph does not identify what facilities the Arizona Department of Environmental Quality ("ADEQ") Approval To Construct ("ATC") should cover, a review of Finding of Fact No. 7 on Page 3 of Decision No. 69412, shows that the ATC being discussed at hearing was an ATC for the "new lift station and main that will be used to provide service in the extension area".

On September 14, 2011, Entrada filed a motion seeking an extension of time for the provision of the ADEQ ATC. The Company seeks to extend the date for providing the ATC from the original June 20, 2009 due date to a proposed date of June 30, 2015. The application also states that the developer, Ranch 160 L.L.C., still wishes to be served by Entrada. By way of support, the Company included an updated request for service letter wherein Mr. Ward Bell, the Managing Member of Ranch 160, L.L.C. describes it as critical that the "Ranch 160 project" remain included within the Company's CC&N. He stated that plans to move forward with the ATC "have been delayed by the real estate market", but that engineering plans have been completed and are "ready to submit to ADEQ" when appropriate. Finally, the developer continues to monitor the real estate market and expects a three to five year window to begin the construction necessary to obtain the required ATC certificate.

Staff is concerned that the request for extension of time is being filed more than two years after the ATC was originally due. Staff recommends that the Company be put on notice that any requests for extension of time should be filed well ahead of the due date so a decision on the extension of time can be obtained from the Commission prior to the item ever becoming delinquent. Additionally, Staff concludes that an additional two year extension of time from the current period is more reasonable than the Company's proposal which represents an overall six year extension of time from 2009 until 2015.

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Based on all of the above, Staff recommends that the Commission extend the due date for provision of the ADEQ ATC from June 20, 2009 until June 30, 2013. Staff further recommends that no further extensions of time be granted in this matter.

SMO:BKB:lm

Originator: Brian K. Bozzo

SERVICE LIST FOR:
DOCKET NO.

ENTRADA DEL ORO SEWER COMPANY
SW-04316A-06-0382

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